

NORMAN FORWARD CITIZENS FINANCIAL OVERSIGHT BOARD MINUTES
July 10, 2017

The Norman Forward Citizens Financial Oversight Board (CFOB) of the City of Norman, Cleveland County, State of Oklahoma, met at 3:30 p.m. in the Municipal Building Conference Room on the 10th day of July, 2017, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray and the Norman Public Library at 225 North Webster 24 hours prior to the beginning of the meeting.

PRESENT: Members Bree Montoya, MacKenzie Britt, Andy Paden, Cynthia Rogers, Anil Gollahalli, Andy Rieger, and Tom Sherman

ABSENT: Chair Bill Nations and Don Hiebert

OTHERS PRESENT: Robert Castleberry, City Council Member
 Kyle Allison, City Council Member
 Terry Floyd, Development Coordinator
 Anthony Francisco, Finance Director
 Jud Foster, Director of Parks & Recreation
 Jeff Bryant, City Attorney
 Leslie Taber, ADG
 Kyle Lombardo, ADG
 David Hopper, Chair of Senior Citizens Ad Hoc Advisory Committee
 Roger Gallagher, Citizen
 Ann Marie Eckart, Citizen
 Montgomery Johnston, Citizen
 Dr. Stephen Ellis, Citizen
 2 unknown citizens

CALL TO ORDER AND ROLL CALL

Member Rogers called the meeting to order at 3:34 p.m. A quorum was present.

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ITEM 1, being

APPROVE MINUTES FROM MAY 15, 2017 MEETING

After review and discussion of minutes of May 15, 2017 meeting, a motion was made by Member Paden and seconded by Member Britt to approve the minutes. Motion passed unanimously.

Items submitted for the record:

1. Norman Forward Citizens Financial Oversight Board Minutes May 15, 2017.

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ITEM 2, being

DISCUSSION OF FINANCE REPORTS-FINANCE DEPARTMENT

Anthony Francisco gave the presentation. He stated that according to the growth report and sales tax projections we are about 4.7% below projection where we are now, and about 4.8% below our original projections.

Member Gollahalli asked how we are able to include July's figures when we are only about 10 days into July. Francisco stated that the numbers are based on sales tax collections for items that were sold in May. Member Gollahalli then asked if what we are spending is on track with what was projected. Francisco stated that it is actually a little bit lower than expected but we still will have to pay the projected amounts. Gollahalli then asked if there was anything in the projections that is causing Francisco concern with the expenditures. Francisco stated there is nothing of concern on the expenditures side.

Member Rieger asked if the any of the upward trend in sales tax collection is due to online sales. Francisco stated that online sales are tracked in use tax and this report is only sales tax. Council Member Castleberry asked if Francisco had the use tax numbers as of yet. Francisco stated that general use tax collection was up by 4%.

Member Rogers asked about the use tax versus the sales tax collection. Francisco stated that use tax is approximately 1/8 of the sales tax collection.

Items submitted for the record:

1. Norman Forward Expenditure Report
2. Norman Forward Sales Tax Revenue Report
3. Norman Forward Sales Tax Fund Annual Sales/Use Tax Growth Factor (FYE 2018)
4. Norman Forward Sales Tax Fund Annual Sales/Use Tax Growth Factor (FYE 2019-2031)

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ITEM 3, being

UPDATED PRO FORMA FINANCIAL PROJECTION

Francisco gave the presentation. He stated that this is the yearly update that was promised at the beginning of Norman Forward. We did get a better interest rate than originally projected for the second Norman Forward debt issuance, but sales tax collections have been down. However, these two things together show that Norman Forward does have the ability to meet all of its obligations. We cannot add more projects, but we will be able to fund all the scheduled projects. Even if sales tax collections do not grow at the projected rate, we will still be able to fund all the projects, though cash flows become extremely tight in the mid-years.

Member Gollahalli asked if the contracts we are signing for these projects have the flexibility for other arrangements if our sales tax growth is not what it is projected to be. Francisco stated that these types of other arrangements are what we would have to look at as a City if those scenarios do come about; Norman Forward would actually have more flexibility to adjust than the City's general operations.

Member Gollahalli asked how the City Council models the sales tax projection for the General Budget. Francisco stated that the City Council looks at this on a fiscal year basis (2.5% growth projected in the current fiscal year). Council Member Castleberry stated that projections for FYE 2020 at this time show the City being broke. That was projected in 2016 as well, but it is our job to work together to make sure that doesn't happen.

Member Rogers asked how many times in the last 10 years have we had revenues of over 4.5%. Francisco stated that we have had this happen 3 or 4 times in the last 10 years.

Member Gollahalli asked if there are any major changes that we need to look at. Francisco stated that these submitted milestones are the major milestones that need to be shown to the Committee. He also stated that we do not put in bid numbers for projects; we will only update the information once the project is complete.

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ITEM 4, being

DISCUSSION OF PREVIOUSLY-APPROVED COUNCIL ACTIONS AND POSSIBLE ACTION

Member Paden asked if the FAA had finally cleared the building plans for the Westwood Indoor Tennis Center. Jud Foster stated that they had and that they have approved the design contract with the contractor for the Westwood facility.

Member Rieger asked who determined that the City of Norman would pay 77% and Norman Forward would pay 23% of the fiber optic relocation for the Central Library. Francisco stated that the project managers decided this based on the amount of the frontage that was the Library's concern. Member Rogers asked if this cost was built into the budget. Francisco stated that it was budgeted in the projection for right of way costs for both the Library and the James Garner Avenue project.

Items submitted for the record:

1. E-1617-46 Granting Utility Easement to ONG for James Garner and Acres Intersection Project
2. K-1617-126 Contract to Trans-Tel for fiber relocation for James Garner
3. R-1617-123 Resolution NMA NF Bonds Sold
4. R-1617-124 Resolution NF Bonds sold CON
5. K-1516-110 Amd #1 Norman Forward Management Services Amd #1
6. K-1617-128 Contract for Westwood Tennis Indoor Courts Architect

ITEM 5, being

AD HOC COMMITTEE LIAISON REPORTS

None except the Griffin Park and Reaves Park Ad Hoc Committees have recently met. Member Gollahalli stated that there will be a presentation forthcoming about traffic control in relation to the Griffin Park project. Jud Foster stated that the Griffin Park facility will have 23 soccer fields that will drain into the nearby irrigation pond.

Member Rogers asked if the indoor soccer facility has been cut from the Griffin Park project. Foster stated that it is not a finalized decision as of yet. Member Gollahalli stated that the indoor portion could be cut if needed. The design would still have a space to add the indoor option later.

Member Rieger stated the architects have presented three different options for the Reaves Park construction. No decision has been made as of yet.

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ITEM 6, being

DISCUSSION OF PROJECT STATUS-PROJECT MANAGERS

Terry Floyd gave the update. He stated that the East Library is close to having a structure actually built, and the Central Library is very much underway but will include a lot of site work before the building can start to go up.

Jud Foster stated that there has been a lot of progress on the Westwood Pool project. All of the slides are up and we are about 90 days from completion. David Hopper asked if there was any kind of opening being scheduled for this year or will we just wait until next year. Foster stated that most likely it will be next year.

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ITEM 7, being

STRATEGIES FOR MEETING NORMAN FORWARD PROJECT GOALS

Member Rogers stated that she has been concerned about the projections that came from the Finance Committee meeting. Francisco stated that if we stay on current projections, then at about year 7, cash flows for Norman Forward projects become very tight, directly after the major debt-financed projects are completed. During those mid-year periods of the Norman Forward tax, pay-as-you-go projects will have to be managed carefully. We need to have an average sales tax growth rate of at least 3.5% over the 15 year period in order to meet the obligations of Norman Forward.

Member Gollahalli stated that he does not agree that the pay-as-you-go projects should be considered fall backs because they were also promised to the voters to sell the project. Member Sherman stated that we have to finish the projects that are already started before we can start other projects.

Members Sherman and Rogers stated that they would like Francisco to make the Committee aware of any issues that arise that could affect the funding of projects.

Member Gollahalli asked if there were any University North Park Tax Increment Finance (UNP TIF) related items that would hurt the Norman Forward projects. Francisco stated anything TIF related would affect the City's General Fund and Capital Fund, but would not touch Norman Forward, as City sales tax collections are not apportioned from the Norman Forward Fund to the UNP TIF Fund.

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ITEM 8, being

MISCELLANEOUS DISCUSSION

Member Gollahalli stated that we should report to citizens the progress we have made with Norman Forward. He would like to possibly do a mailing or a social media push in the fall. City Council Member Kyle Allison stated that the City has been putting out some video pieces and would continue to share those as more of the projects make progress.

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ITEM 9, being

ESTABLISHMENT OF FUTURE MEETING TIME(S)

After discussion, members agreed to meet again on Monday, September 11, 2017, at 3:30 p.m. in the Council Study Session Room.

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ITEM 10 being

ADJOURNMENT

Motion was made by Member Britt and seconded by Member Rieger to adjourn. Motion passed unanimously and the meeting adjourned at 4:49 pm.